

ATTITUDES AND STATEMENTS OF SLOVENE STAKEHOLDERS TO RES-E POLICY AND ITS FUTURE DEVELOPMENT IN SLOVENIA AND THE EU

In the beginning of 2006 standardised questionnaires were sent to 38 individuals representing power industry, large and small independent RES-E/qualified producers, market regulators as well as to the environment and nature protection NGOs. The questionnaires were tailored individually for each of the three specific target groups: the RES-E producers, RES-E experts and environmental/nature protection NGOs. They were structured to get precise profile of the addressed institutions/organisations, their knowledge of energy and environmental issues related to energy sector, attitude to RES-E, opening of the electricity market, role of the market regulator, marketing of RES-E and support to RES-E in Slovenia as well as attitudes regarding climate protection, nature protection and institutional design of environmental impact assessment in Slovenia. In addition, all three types of standardised questionnaire also addressed the assessment respectively expectations of the future support instruments/schemes for RES-E and developments of RES-E market in Slovenia taking into account the trends in the EU.

Due to low feedback to the standardised questionnaires within the spring of 2006 the interviews were carried out with 11 individuals representing the whole spectrum of stakeholders.

LIST OF INTERVIEWED PEOPLE

	PERSON (name and surname)	Function	Institution	Type	Date
1	Branko Rožič	Chairman	COGEN-Slovenia	Business association	May 4 2006
2	Anton Korošec	Director	AAE-Slovenija	RES-E enterprise	April 11
3	Andrej Hanžič	Director	TCPE	RES-E research inst.	April 12
4	Marko Gospodjinački	Chairman	Združenje MHE Small Hydro Association	Small business association	March 11
5	Blanka Povh	Expert	Holding slovenskih elektrarn (Holding of Slovene PP Ltd.)	Holding	April 13
6	Lidija Živčič	Chairman	Fokus	NGO	April 6
7	Marjeta Keršič Svetel	Chairman	Mountain Wilderness Slovenia	NGO	May 5
8	Mladen Kotarac	Director	Center za kartografijo flore in favne (Centre of Cartography of Fauna & Flora)	Nature protection NGO	May 5 2006
9	Ursula Krisper	Expert	Elektro Ljubljana d.d. (Electricity distribution co.)	Public power distribution utility	April 13
10	Gorazd Skerbinek	Expert	Agencija RS za energijo Energy Agency of RS	Market regulator	April 12
11	Ervin Seršen	Expert	Agencija RS za energijo Energy Agency of RS	Market regulator	April 12

GENERAL CONCLUSIONS FROM THE QUESTIONNAIRE AND INTERVIEWS

1. The large majority of stakeholders is considering actual feed in system in Slovenia to be in accordance with principles and rules of liberalised market of electric power. A large majority of interviewed stakeholders has few or no knowledge on quota/tradable certificate RES-E schemes. However they all agree that taking into account the size of the market and limited number of market actors any national quota/tradable certificate scheme is not sizable, if not for other then for the reason of very low liquidity of such a market.
2. The majority of (potential) investors however considers the level of feed in tariff/premium as too low, especially taking into account huge administrative barriers and technical procedures constrains for investments into respectively operation of a new RES-E generation capacities. Under the current feed in the scheme especially too low tariffs/premiums for RES-E generated from wood biomass and from PV installations above 36 kV have been pointed out.
3. With the respect to the assessment of the opening of the electricity market in Slovenia the perception and evaluation seems to be very much influenced from the position of the stakeholders thus differences seem to be quite large. While the stakeholders that are part of the state owned or public utilities consider market opening substantial and access to the market as opened as possible, private stakeholders are not sharing those statements and are claiming that there are many technical rules and procedures that indeed hinder the access to the market.
4. All mid and large sized RES-E capacities in Slovenia are owned and operated by the national electricity generation holding company HSE Ltd. and are RECS certified. HSE Ltd. is trading both green certificates on the international market as well as the product Modra energija (Blue energy) on the domestic market (in partnership with all five electricity distribution companies) whereas no effective control against eventual double accounting has been implemented yet. Next to HSE Ltd. the “green electricity” – predominantly from small private HPPs - is traded also by private company Ekowatt Ltd. (“Zelena elektrika”) based on their own certification model and by the largest distribution company in the country Elektro Ljubljana that is offering non-certified RES-E from its own small HPPs to all costumers at additional price of 4.1 Euro/MWh. Although still being a niche market the “green electricity” market is showing considerable dynamics however it is largely dominated by HSE Ltd. respectively its product “Modra energija”.
5. Increased electricity prices in the recent year as well as increased demand for “green electricity” resulted in “pooling of small scale RES-E supply” by one of the main traders with electricity in Slovenia Istrabenz-Gorenje – Prodaja električne energije Ltd.”. This is offering an interesting example of combining RES-E feed in premium scheme with the demand side market pull based on the increased awareness of electricity consumers. However it is too early to assess its real scope and results.

6. While all investors are claiming spatial planning and environmental impact assessment procedures as large barriers for dissemination of the new RES-E generation capacities especially small scale private investors are claiming that the burden of time consuming non-integrated and sometimes even contradictory procedures can jeopardise their very existence. A kind of integrated policy and support for diminishing administrative barriers is demanded as urgent in the views of (potential) investors to paw the path to more standardised and faster administrative and technical procedures.
7. After the increase of feed in/premium for RES-E in 2004 the interest for investments in the RES-E increased considerably especially for biogas CHP and PV installation below 36 kV. Harmonization of legislation in the area of agriculture and treatment of animal residuals that are not intended for human nutrition and bio-degradable wastes as well as removal of all import duties for goods imported from the EU after accession in 2004 contributed positive synergies for the RES-E investment climate in the country. Nevertheless many projects have been later on slowed down or even cancelled due to uncertainties respectively high costs of obtaining all required administrative and technical requirements.
8. According to the statements of the most of the stakeholders considerable level of lobbying and bargaining capacities both at local as well as on the national level are needed to push the RES-E projects trough administrative procedures. These are of course costs that are undermining small-scale projects and the project of the newcomers that have not (yet) the access to arenas of bargaining or have too little to offer within the process of bargaining.
9. Taking into account high growth of electricity consumption in the country in the recent years (about 4% per year) and administrative and technical restrictions for the new RES-E investment none of the interviewed stakeholders believes that Slovenia can meet its indicative RES-E consumption target despite ongoing (but slowed) construction of the new hydro power chain on the lower Sava river.
10. NGO representatives are claiming that excessive growth of electricity consumption (above the growth of GDP) is undermining any attempts of “greening” the electricity sector by new RES-E capacities even if they were not situated in the areas sensitive in terms of nature and landscape protection. Thus in their opinion decrease of energy intensity and increase of energy efficiency should have priority over support to the RES-E generation in the country. This statement can be attributed to the environmental NGOs in general and not only to nature/landscape protection organizations or civil initiatives against large(r)-sized RES-E installations that are planned in the areas sensitive in terms of nature and landscape protection.
11. NGOs claim little support of the state to deal with energy respectively electric power policy and weak capacities in dealing with general issues of greening the energy sector and support the RES-E. They also express high level of concern about the impartiality of the state agencies and high political representatives, especially when the investments in the RES-E generation by

state or para-state owned companies are at stake. State and municipal authorities are also generally mistrusted to be willing or capable to assure level playing field in the case of the conflict on stationing of the RES-E installations. Nature/landscape protection NGOs are in favour of higher level of feed-in support but would at the same time demand more restrictive spatial planning procedures, better access to information and participation in environmental protection procedures and last but not least also effective and efficient sanctions of violation of the nature/landscape protection.

12. When the investment in the new RES-E generation will predominately be carried out by existing para-state owned large companies (in terms of the size of national market) that are at the same time planning substantial increase of fossil and nuclear capacities this will most probably undermine the image of the RES-E as a carrier of social innovation and greening of the electricity sector even if the majority of investment would not be situated within non urbanised/industrialized areas. This can on the other side undermine dynamics of growth of different RES-E based products on the electricity market.